

SPARTA TOWNSHIP SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018

SPARTA TOWNSHIP SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
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The Honorable President and Members
of the Board of Education
Sparta Township School District
County of Sussex, NJ

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Sparta Township School District in the County of Sussex for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 18, 2019.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated January 18, 2019, on the financial statements of the Board.

We will review the status of the comments and recommendation during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the suggestions and recommendation.

This report is intended for the information of the Sparta Township School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Nisivoccia, LLP

January 18, 2019
Mount Arlington, New Jersey

NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Kerry A. Keane	Treasurer	\$ 500,000
Pamela Hinman	Business Administrator/Board Secretary	500,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6:20-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund.

All payrolls tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator and the Superintendent.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Classification of General and Administrative Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6:23-2.2(g) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C 6A:23A-24. Overall compliance was noted.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I and Title II of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for the E.S.E.A grants did not indicate any area of noncompliance.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2018. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law"

Effective July 1, 2015 and thereafter the bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is \$19,000 for 2017-18.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. General compliance was noted.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The school food service program was not selected as a major federal and/or state program. We inquired of school management, or the appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the CAFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Proprietary Funds, Section G of the District's CAFR.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records.

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Student Body Activities (Cont'd)

Finding:

During our review of student activities, it was noted that deposits were not always made on a timely basis at the Helen Morgan School student activities account, Alpine School student activities account, and High School athletics account.

Recommendation:

It is recommended that all deposits to the Helen Morgan School student activities account, Alpine School student activities account, and High School athletics account are consistently made on a timely basis.

Management's Response:

The District will ensure that all deposits to the Helen Morgan School student activities account, Alpine School student activities account, and High School athletics account are consistently made on a timely basis.

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income and bilingual students. We also performed a review of the District procedures related to its completion. The information reported on the A.S.S.A. was compared to the District work papers without exception. The information included on the work papers was verified on a test basis with a few minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed State forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2017-18 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with two minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the transfer of local funds from the General Fund and from the Capital Reserve Account, and awarding of contracts for eligible facilities construction. No exceptions were noted.

SPARTA TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations require the District to establish a maximum travel amount for the year and to account separately that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

Our review of the travel policies and records revealed that the District is in compliance with the travel regulations.

Testing for Lead of All Drinking Water in Educational Facilities

The District did submit the annual Statement of Assurance to the NJ Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Management Suggestion

System and Organization Controls

Many school districts contract with service providers to perform functions such as the processing of payroll and provision of food service management services. In conjunction with these services, the service provider will engage an auditor to perform a SOC 1 (System and Organization Controls) engagement which results in a SOC 1 report. There are two different types of SOC 1 reports - a Type 1 and a Type 2 report. Both report on the fairness of the presentation of management's description of the service organization's system and the design of the controls to achieve the related control objectives through a specific period. The Type 2 report also reviews the operating effectiveness of the controls included in the description and tests individual controls, identifies which controls were tested and the results of the testing.

We suggest that the District review these SOC 1 reports to determine if there are any exceptions noted in the opinion in the Independent Auditors' Report. Additionally, for SOC 1 Type 2 reports we suggest that the District review the test results related to the individual control testing to determine if there were any exceptions noted. If exceptions are noted in the report the District should contact the service provider and inquire what steps the service provider is taking to address these exceptions.

Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding the use of vouchers, obtaining signatures certifying receipt of goods, preparing a voucher prior to the release of each payment and deposits being consistently made on a timely basis in the various student activities accounts, was not completely resolved and has been included in the current year findings/recommendations.

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(MEMORANDUM ONLY)

NOT APPLICABLE

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE FUND
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(MEMORANDUM ONLY)

NOT APPLICABLE

SPARTA TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 13, 2017

	2018-2019 Application for State School Aid						Sample for Verification					
	Reported on Revised ASSA		Reported on Workpapers		Errors		Sample Selected from Workpapers		Verified per Registers		Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	5		5				5		5			
Half Day Preschool 4 Years Old	18		18				18		18			
Full Day Kindergarten	187		187				187		187			
Grade One	193		193				193		193			
Grade Two	180		180				180		180			
Grade Three	173		173				173		173			
Grade Four	195		195				195		196		(1)	
Grade Five	211		211				211		211			
Grade Six	194		194				194		194			
Grade Seven	240		240				240		240			
Grade Eight	208		208				208		208			
Grade Nine	232	1	232	1			232	1	232	1		
Grade Ten	236		236				236		236			
Grade Eleven	230	1	230	1			230		230			
Grade Twelve	228		228				228		228			
Subtotal	2,730	2	2,730	2			2,730	1	2,731	1	(1)	
Special Education:												
Elementary	161		161				8		7		1	
Middle	120		120				8		8			
High	167	4	167	4			9		9			
Subtotal	448	4	448	4			25		24		1	
Totals	3,178	6	3,178	6	-0-	-0-	2,755	1	2,755	1	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	Private Schools for Disabled				Resident Low Income				
	Reported on ASOA as Private Schools	Reported on Private Workpapers	Sample for Verification	Errors	Reported on ASOA as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten									
Grade One					8	8	1	1	1
Grade Two					9	10	1	1	1
Grade Three					4	4			
Grade Three					11	11	1	1	1
Grade Four					5	5			
Grade Five					5	4	(1)		
Grade Six					4	4			
Grade Seven					7	7	1	1	1
Grade Eight					6	7	1	1	1
Grade Nine					6	6			
Grade Ten					9	9			
Grade Eleven					8	9	1	1	1
Grade Twelve					9	9			
Subtotal					91	93	2	9	9
Special Education:									
Elementary School	6	6	2		20	22	2	2	2
Middle School	8	8	3		20	19	(1)	2	2
High School	8.0	8.0	3		15	15		1	1
Subtotal	22.0	22.0	8		55.0	56.0	1	5	5
Totals	22.0	22.0	8	-0-	146	149	3	14	14
Percentage Error				0.00%			2.05%		0.00%

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	Resident LEP Low Income					Sample Errors
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	
Full Day Kindergarten	3	3		1	1	
Grade One	2	2		1	1	
Grade Eight	1	1				
Grade Eleven	1	1		1	1	
Subtotal	<u>7</u>	<u>7</u>		<u>3</u>	<u>3</u>	
Special Education:						
Elementary School	<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
Subtotal	<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
Totals	<u><u>8</u></u>	<u><u>8</u></u>	<u><u>- 0 -</u></u>	<u><u>4</u></u>	<u><u>4</u></u>	<u><u>- 0 -</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>0.00%</u></u>

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	Resident LEP Not Low Income					
	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	3	3		1	1	
Grade Four	1	1				
Grade Five	3	3		1	1	
Grade Ten	2	2		1	1	
Grade Eleven	1	1				
Subtotal	<u>10</u>	<u>10</u>		<u>3</u>	<u>3</u>	
Totals	<u>10</u>	<u>10</u>	<u>- 0 -</u>	<u>3</u>	<u>3</u>	<u>- 0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

SPARTA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	2,352	2,352		25	26	1
Regular - Special Education	331.5	331.5		25	23	(2)
Transported - Non Public	317	317		25	24	(1)
AIL - Non Public	31	31		5	5	
Special Nees - Public	73.5	73.5		7	7	
Special Nees - Private	18	18		4	4	
Totals	<u>3,123.0</u>	<u>3,123.0</u>	<u>- 0 -</u>	<u>91</u>	<u>89</u>	<u>(2)</u>
Percentage Error			<u>0.00%</u>			<u>-2.20%</u>

	<u>Reported</u>	<u>Recalculated</u>
Average Mileage - Regular Including Grade PK Students	4.6	4.6
Average Mileage - Regular Excluding Grade PK Students	4.6	4.6
Average Mileage - Special Education with Special Needs	9.6	9.6

SPARTA TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2018

EXCESS SURPLUS CALCULATION

Section 1 - REGULAR DISTRICT

2017-2018 Total General Fund Expenditures per the CAFR	<u>\$ 68,807,817</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u> </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u> </u>	(B1b)
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 8,311,911</u>	(B2a)
Assets Acquired Under Capital Leases	<u> </u>	(B2b)
Adjusted 2017-2018 General Fund Expenditures [(B) + (B1's) - (B2's)]	<u>\$ 60,495,906</u>	(B3)
2% of Adjusted 2017-2018 General Fund Expenditures [(B3) times .02]	<u>\$ 1,209,918</u>	(B4)
Enter Greater or (B4) or \$250,000	<u>\$ 1,209,918</u>	(B5)
Increased by: Allowable Adjustments	<u>\$ 128,157</u>	(K)
Maximum Unassigned Fund Balance [(B5) + (K)]		<u>\$ 1,338,075</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2018 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 10,399,426</u>	(C)
Decreased by:		
Year-end Encumbrances	<u>\$ 267,440</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 750,000</u>	(C3)
Other Restricted Fund Balances	<u>\$ 7,293,911</u>	(C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C5)
Additional Assigned Fund Balance - Designated for Subsequent Year's Expenditures July 1, 2018 - August 1, 2018	<u>\$ -0-</u>	(C6)
Total Unassigned Fund Balance [(C1) - (C1) - (C2) - (C3) - (C4) - (C5)-(C6)]		<u>\$ 2,088,075</u> (U1)

Section 3

Restricted Fund Balance - Excess Surplus [(U1 - (M)) IF NEGATIVE, ENTER \$ - 0 -		<u>\$ 750,000</u> (E)
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SPARTA TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

EXCESS SURPLUS CALCULATION

Recapitulation of Excess Surplus as of June 30, 2018

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 750,000 (C3)
Restricted Excess Surplus [(E)]	<u>\$ 750,000 (E)</u>
Total [(C3) + (E) + (F)]	<u><u>\$ 1,500,000 (D)</u></u>

Detail of Allowable Adjustments

Impact Aid	<u>\$ -0- (H)</u>
Sale and Lease-Back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ 80,256 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ 47,901 (J1)</u>
Total Adjustments [(H) + (I) + (J1) + (J2)]	<u><u>\$ 128,157 (K)</u></u>

Detail of Other Restricted Fund Balance

Statutory Restrictions	<u>\$ -0-</u>
Approved Unspent Separate Proposal	<u>\$ -0-</u>
Sale/Lease-Back Reserve	<u>\$ -0-</u>
Capital Reserve	<u>\$ 6,382,278</u>
Maintenance Reserve	<u>\$ 911,633</u>
Tuition Reserve	<u>\$ -0-</u>
Other State/Governmental Mandated Reserve	<u>\$ -0-</u>
Other Restricted Fund Balance not Noted Above	<u>\$ -0-</u>
Total Other Restricted Fund Balance	<u><u>\$ 7,293,911 (C4)</u></u>

SPARTA TOWNSHIP SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2018

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

All deposits to the Helen Morgan School student activities account, Alpine School student activities account, and High School athletics account are consistently made on a timely basis.

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding the use of vouchers, obtaining signatures certifying receipt of goods, preparing a voucher prior to the release of each payment and deposits being consistently made on a timely basis in the various student activities accounts, was not completely resolved and has been included in the current year findings/recommendations.